REMARKS

Claims 1 and 3-26 are currently pending in the application. Claims 1 and 3-26 were rejected. Claims 1, 4, 6, 9, 10, 17, 25, and 26 have been amended. Claims 3 and 5 have been canceled without prejudice.

The Examiner rejected claim 19 under 35 U.S.C. 112, second paragraph, for failing to particularly point out and distinctly claim the subject matter which the Applicant regards as the invention. The rejection is respectfully traversed.

The Examiner indicated confusion regarding the language "wherein controlling *information* of the at least one business rule comprises implementing the at least one other business rule before implementing the at least one business rule." The Applicants respectfully point out that claim 19 actually recites "controlling *implementation* of the at least one business rule comprises implementing the at least one other business rule before implementing the at least one business rule." The Applicants believe this language to be clear on its face. That is, claim 19 refers explicitly to claim terms introduced in claim 18 on which claim 19 depends.

Claim 18 depends on claim 13 and recites "controlling implementation of the at least one business rule with reference to at least one *other* business rule associated with the second party." Claim 19 merely further defines how "implementation of the at least one business rule" recited in claim 18 is accomplished. That is, claim 19 states that the "at least one *other* business rule" introduced in claim 18 must be implemented before the "at least one business rule" originally introduced in claim 13.

In view of the foregoing, the rejection of claim 19 is believed overcome. If the Examiner still does not consider the language of claim 19 to be sufficiently clear, he is invited to call the undersigned at his convenience to discuss the matter.

The Examiner rejected claims 1, 5, 6, and 21-26 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,946,667 (Tull). The Examiner also rejected claims 13-15,

18 and 20 over Tull in view of the Examiner taking Official Notice that various recited limitations are well known in the art. The Examiner also rejected claims 7-10 over Tull in view of U.S. Patent No. 5,797,127 (Walker), and claims 16 and 17 over the combination of Tull and Walker in view of further Official Notice. The Examiner further rejected claims 3 and 4 over Tull in view of U.S. Patent No. 6,338,050 (Conklin). Finally, the Examiner further rejected claims 11 and 12 over Tull in view of U.S. Patent No. 6,519,574 (Wilton). The rejections are respectfully traversed.

Tull describes a financial data processing system by which a new type of financial debt instrument is created and controlled, and by which the debt instrument is made accessible to individual investors. The debt instrument (referred to as an OPALS) represents a carefully selected group or "basket" of shares from a particular capital market, and is designed to track the overall performance of the capital market which it represents. The OPALS debt instrument may be traded on the open market as a single security for a limited period of time. See the Abstract and column 5, line 51 to column 6, line 23.

Referring to Fig. 1, financial management structure 8 receives data relating to each of the stocks in each of various capital markets 1. Modeling system 3 uses these data to select an optimized basket of shares which are intended to track a particular market's index closely. These shares are aggregated as an OPALS 10 for that market. See column 6, lines 4-23. Details of the algorithm by which the basket of shares is created are provided in columns 7 and 8. OPALS 10 may then be purchased and traded by investors (as conventionally facilitated by brokers) in a manner similar to open market funds (column 6, lines 32-46).

Fig. 2 of Tull adds very little to the foregoing discussion except to identify the nature of the connections between data processing system 20 of Fig. 1, the other parts of financial management structure 8, and capital markets 1. That is, Fig. 2 and the corresponding description beginning at column 8, line 28, show a communications network 9 by which system 20 receives

data from markets 1. Also shown are two-way connections with brokers 13 by which the brokers may facilitate the trade of OPALS 10. Investors 5 are connected to the system over a communications network 15 which may be an international news reports service such as Reuters. Information about the operation of financial management structure 8 may also be viewed by operators at terminals 17.

Notably, at no place in the portions of the reference to which the Examiner referred is there any mention of the features of the invention claimed in the present application. Claim 1 of the present application recites enabling a third party to facilitate consummation of a transaction between first and second parties via a wide area network "by enabling the third party to cover at least part of a first difference between the first bid price and the first ask price." Presumably, the Examiner believes that the brokers described in Tull are performing this function. The Applicants respectfully, but strongly disagree that Tull can be characterized in this way.

The most that Tull says about the role of the brokers is that "[t]he OPALS financial instrument 10 operates with respect to investors 5 as an open market fund which can be traded by brokers either at the value of the underlying shares or above or below this value dependent on the current market situation or other factors." Column 6, lines 32-37. That is, the brokers trade the OPALS debt instrument at values which may deviate from the aggregate value of the basket of shares in much the same way as they would shares in a mutual fund, the value of which does not always correspond to the aggregate value of the shares on which it is based.

What Tull does not discuss is whether the broker is able to trade the OPALS debt instrument at a value which is different from its own current valuation. Further Tull makes no mention of a broker being able to consummate a transaction between an investor 5 and the financial management structure 8 by covering the difference between the current valuation (e.g., an ask price) of a particular OPALS debt instrument and the amount a particular investor wants to pay (e.g., a bid price).

The fact that Tull does not describe or suggest this important limitation means that the rejection of claim 1 as being obvious over this reference cannot stand. Claims 3-26, which are either directly or indirectly dependent on claim 1, or contain similar limitations are believed allowable for at least the reasons discussed.

Notwithstanding the foregoing discussion, claims 1, 25, and 26 have been amended to more clearly describe the invention and to facilitate allowance of the present application. These amendments have not been made for any reason related to patentability. More specifically, claim 1 has been amended to recite that the transaction is facilitated by the third party "by transmitting a counteroffer or an acceptance from the third party to the first party." This limitation is clearly not shown by any of the cited references.

That is, the brokers of Tull have the ability of trading the OPALS by interacting with financial management structure 8 as discussed above. However, there is no capability described in Tull whereby the broker can accept an investor's bid or make a counteroffer on behalf of the system. Therefore, this amendment provides a further distinction between the claimed invention and the teachings of Tull. Claims 25 and 26 have been similarly amended.

In addition, the Applicants object to and traverse the Examiner's use of Official Notice in some of the rejections under 35 U.S.C. 103. As stated by the CCPA in In re Ahlert 165 USPQ 418, 420 (and as repeated in MPEP 2144.03), such notice may be taken by the examiner only where the facts are "capable of such instant an unquestionable demonstration as to defy dispute." The MPEP goes on to state that "[i]f such notice is taken, the basis for such reasoning must be set forth explicitly. The examiner must provide specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge." In view of the technical and business obstacles to implementing the features in the rejected claims, it is the Applicants' position that none of the claim features for which the Examiner took Official Notice satisfy these criteria.

For example, the Examiner indicated that "controlling implementation of the at least one business rule with reference to at least one other business rule associated with the second party" (i.e., claim 18) was obvious. However, no specific factual findings were provided. The Applicants submit that, while it may be well known to allow an entity to specify business rules, it is not well known to allow the entity to specify rules which refer or depend on a business rule specified by a second entity. Thus, the Examiner's obligations in this regard are not fulfilled, and the rejection is believed insufficient on its face.

Similarly, the Examiner provided no basis for the rejection of claim 17. That is, enabling a business rule which effects the counteroffer or acceptance recited in claim 1 is novel and nonobvious for the same reasons as claim 1. Thus, this rejection is also believed to be insufficient.

In view of the foregoing, Applicants believe all claims now pending in this application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested. If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at (510) 843-6200.

Respectfully submitted,
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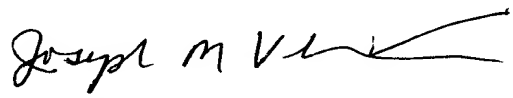

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